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Natural gas prices have nearly tripled in the US over the last year amid supply fears: 'There's almost no ceiling'



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Natural gas prices briefly surpassed the \$9 mark earlier this week for the first time since 2008.

Prices pulled back Friday but have nearly tripled since a year ago as supply fears and war in Ukraine have sent energy markets reeling.

Along with the natural-gas price jump, diesel, jet fuel, and prices at the pump have all surged.

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US natural gas prices briefly surpassed \$9 per million British thermal units this week for the first time since 2008, joining other energy commodities that have soared recently.

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ay, prices retreated 5%, falling back below the \$9 but they are still up more than 180% from a year

Underlying the price surge is the decline in natural gas inventories, which were 15% lower last week than the five-year average, according to the [Wall Street Journal](#).

Natural gas prices

Last price, dollars per million BTU



Chart: Madison Hoff/Insider • Source: CME Group via Bloomberg

The slowdown in the US shale boom has weighed on natural gas production. Meanwhile, US exports of natural gas are booming as buyers in Europe and Asia have flocked for additional supplies since Russia's invasion of Ukraine sent global energy markets reeling.

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"There's almost no ceiling for natural gas," Kent Bayazitoglu, an analyst at the energy consultant Baker & O'Brien Inc, told the WSJ Thursday. "You can reduce your driving a lot easier than you can reduce your natural-gas consumption."

While he expects prices for natural gas to ease once the summer weather passes, traders are betting that above-normal needs this summer to use energy and air conditioners amid hotter weather will leave inventories low.

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Main
content
Search
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are, prices in the US remain much lower than in Europe, which has seen ever steeper spikes. Prices, for example, are up 242% year over year.

But the natural gas surge mimics those of other energy commodities. Gasoline prices have soared so high that the US is beginning to show signs of demand destruction, and analysts told Insider that the current diesel crisis is reminiscent of the 1970s, with prices up more than 70%.

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At the same time, the cost of jet fuel has doubled from a year ago, resulting in far more expensive airfare just ahead of summer travel season.

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